**VEER NARMAD SOUTH GUJARAT UNIVERSITY**
**M.Com-II**
**Semester - 4**
**Paper No: 404**
**Financial & Management Accounting Paper – X**
**(Syllabus effective from Academic Year 2021-22 onwards)**

**Objectives:**

- To acquaint the students, how to take the decisions on the basis of marginal and differential costing.
- To clear the concept of cost of capital and calculations about it,
- To give the idea about product pricing method.
- To give the basic concept about Mechanics of Investing

| Unit. | Particular | Weightage |
|---|---|---|
| **1.** | **Differential Costing : (Practical)**<br>Meaning - Features and implications of differential costing - Marginal vs. differential costing - Applications of differential costing, Marginal Costing vs. Absorption costing. | **30%** |
| **2.** | **Cost of Capital : (Practical)**<br>Concept - Computations of cost of equity capital (including new equity issue) - Cost of preference capital - Cost of debt - Cost ofretained earnings - Weighted average cost of capital. | **30%** |
| **3.** | **Product Pricing : (Practical 10% and Theory 10%)**<br>Pricing policy - Aims and objectives of pricing - decision process<br>- Role of Costs in pricing - pricing methods (Method of cost plus pricing, marginal cost pricing, added value method of pricing, opportunity cost pricing, Target Return pricing - Administered pricing), Strategies of product pricing (Pricing strategies for new products and Pricing of established products), Pricing during inflation and recession, Non-financial factors in pricing - Limiting factors in product pricing - Management Accountant's role in product pricing. | **20%** |
| **4.** | **Mechanics of Investment:**<br>Investment Return and Risk, Risk diversifications, Systematic and unsystematic risk, Cost of Investing Securities. Specific factors affecting the value of particular company's shares - Timing of investment decisions. | **20%** |